



USDA, Rural Development

502 Single Family Housing Guaranteed Loan Program

www.rurdev.usda.gov/me

◆ OBJECTIVE

Provide loan guarantees to approved lenders to assist rural Maine families in obtaining affordable housing

◆ ELIGIBLE APPLICANTS

Families or individuals who:

- ◆ Do not already own adequate housing
- ◆ Have an adjusted annual family income that does not exceed the moderate income limit for household size and county where home is to be located. Income limits are available at Rural Development offices, from approved lenders and on the internet at:
<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ Have an acceptable credit history
- ◆ Cannot obtain needed credit through conventional sources
- ◆ Are United States citizens or qualified aliens
- ◆ Have a Principal, Interest, Tax and Insurance (PITI) ratio that does not exceed 29%; and a Total Debt (TD) ratio that does not exceed 41%

◆ ELIGIBLE PROPERTIES

- ◆ Must be located in rural areas of Maine. Based on population, some areas are restricted. Descriptions and maps are available at Rural Development offices and on the internet at:
<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- ◆ Cannot be located in a flood hazard area
- ◆ Lot value cannot exceed 30% of the appraised value; if the lot value exceeds 30% of the total value, the lender must provide documentation that the lot cost is typical for lots in the area and cannot be subdivided
- ◆ Cannot be an income-producing property
- ◆ Cannot contain an in-ground swimming pool

Purchase New:

- ◆ Plan certification required
- ◆ Must meet Rural Development thermal standards
- ◆ Construction phase inspection reports

Purchase Existing:

- ◆ Must meet current requirements of HUD Handbooks 4150.2 and 4905.1

◆ LOAN PURPOSES

- ◆ Purchase new homes
- ◆ Purchase existing homes (with or without repair)
- ◆ New manufactured homes, purchased through approved dealer/contractors
- ◆ Condominiums and Townhouses, if project accepted by HUD, VA, Fannie Mae, or Freddie Mac
- ◆ Closing costs when total loan does not exceed 100 percent of market value
- ◆ Guarantee Fee, if necessary, loan can exceed market value by amount of fee being financed
- ◆ Refinancing, only if current loan is through the Rural Development Direct or Guaranteed Single Family Housing Loan program

◆ RATES & TERMS

- ◆ Lender fixed rates, not to exceed Fannie Mae rate for 90-day delivery actual/actual, plus six-tenths of a percent, rounded up to the next ¼ percent
- ◆ 30-year term
- ◆ No down payment required
- ◆ 100 percent loan to value financing; or 102 percent if guarantee fee is financed

◆ FEES

- ◆ 2.00 percent up-front guarantee fee on new obligations, paid at closing
- ◆ 1.50 percent up-front guarantee fee on any eligible refinance loan
- ◆ .3 percent annual fee based on the scheduled principal balance of the loan

For more information regarding the Section 502 Single Family Housing Guaranteed Loan Program visit our website at www.rurdev.usda.gov/me or contact the Rural Development Area Office serving your county:

State Office

Virginia A. Manuel, State Director
Dale D. Holmes, Housing Program Director
Lorrie J. Hamlin, Single Family Housing Specialist
Rachel L. Henderson, Program Support Technician

967 Illinois Avenue, PO Box 405
Bangor, ME 04402-0405
Tel: (207) 990-9110

Guaranteed Loan Processing Center – Loan Processing for State

Rob Cross, Area Specialist	Extension 140
Kathi Cross, Area Technician	Extension 123
Peter O'Brien, Area Assistant	Extension 127

1423 Broadway, Suite 3
Bangor, ME 04401-2468
Tel: (207) 990-3676, Ext. 123
Email: GLPC@me.usda.gov

Committed to the future of rural communities

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